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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

POSITIVE INDICATORS PROGRAM

DDP #536/27

FROM:

DDA/M&AS
7C18, HQS.

EXTENSION

5226

NO.

DATE

25 MARCH 1977

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DIRECTOR OF DATA
PROCESSING
2D00

2. HQS.

EO -

3.

C/MS

4.

C/AS

5.

DD/A/ODD

6.

DD/P/ODD.

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D/ODP

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Mr. May,

Attached is a copy of the task force report on effectiveness indicators that forms the basis of the OP Positive Indicators Program. This is forwarded for your information in response to suggestion by a couple of the Office Directors at the recent DDA Management Conference.

Distribution:

- 1 - Each DDA Office Dir, with attachment except D/OP.
- 1 - D/OP wo/att.

1 to 3,4,5,6- FYI I think they did a good job on a tough problem.

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29 OCT 1976

MEMORANDUM FOR: DD/Pers-P&C
DD/Pers-SP
DD/Pers-R&P

FROM : F. W. M. Janney

SUBJECT : Effectiveness Indicators

REFERENCE : Report of OP Task Force on Effectiveness Indicators
June 1976

1. As the new Fiscal Year is underway, this is to remind you that the system of effectiveness indicators is now operative. During final discussions of the task force, it was decided to eliminate Indicator II-C, Alcohol Problems, which is now an OMS responsibility. It was also decided to modify Indicator IV-C to measure the number of employees taking optional insurance rather than the amount outstanding per employee.

2. I shall expect to receive reports on the following schedule:

- INDICATOR I - A. Recruiting - Semiannually
B. EEO Recruiting - Annual
- II - A. Reassignment - Annual
B. Retirement Benefits Counseling - Annual
C. Eliminate
- III - A. Position Grade Control - Annual
B. Review of Positions - Annual
- IV - A. Employee Perceptions - Following survey
B. Level of Effort Indicators - As appropriate
C. Market Penetration (Insurance) - Annual
- V - A. Errors (Pers. Record-Keeping) - Monthly
B. Processing Time of Transactions - Monthly
C. Timely Statistical Reports - Monthly
- VI - Internal Management - As PDP and APP data become available

3. Please send information copies of these reports, when made, to Chief, Plans Staff, OP.

STATINTL


F. W. M. Janney

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**REPORT OF OP TASK FORCE ON
EFFECTIVENESS INDICATORS**

June 1976

OP/Plans Staff

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INTRODUCTION

On instruction from the DDA, the Office of Personnel created a task force in the fall of 1975 to "devise systems and procedures to develop and establish a series of positive indicators against which program missions (functions) can be judged."

The task force was comprised of representatives from each of the six program areas in the Office of Personnel. 1/ As a first step they were asked to assess their programs, identify their clients, and list potential indicators that would affect their clients' views of how well they were being served. As the activities are quite diverse, this produced a rather lengthy list of potential indicators which would, however, be of value to program managers. From the viewpoint of the Office, it was desirable to develop a much shorter list which yet represented the range of programs. So the next step was to develop the shorter list which is presented in this report.

I. CONSIDERATIONS

The Office of Personnel shares with other elements of Agency management the responsibilities for staffing, career development, and supporting employee morale. In the personnel field the ultimate test of management is the effectiveness of Agency personnel in the execution of Agency programs. The Office of Personnel alone cannot assure this effectiveness but poor personnel programs could do much to preclude it. Given the inevitable pressure of resource constraints and the consequent desire of management to assign the higher priority to the operating programs, it is imperative that a staff function, such as personnel, evaluates the effectiveness of its programs so that the available resources are well-used and so that the resources required for essential personnel functions may be requested and defended.

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With this need in mind, it was possible to specify some criteria for developing indicators:

- a. On a selective basis, represent a broad range of Office activities.
- b. Represent a significant portion (30-60%) of Office resources.
- c. Indicate not how much but how well in aspects that pertain to objectives (where they exist) or client satisfaction.
- d. Identify indicators that are based on client feedback or that themselves would influence feedback.
- e. Identify indicators that pertain to significant resources (don't bother with activities that require few resources).
- f. Differentiate between factors controllable by OP and those controllable outside of OP.
- g. Provide D/Pers some indicators that pertain to the interaction between OP and other elements of management (system indicators).
- h. Reject indicators that involve great additional expense in assembling data unless management perceives they are worthy.
- i. Subject the indicators to revision after use if required.

These criteria have been applied, although not rigidly, in developing the indicators presented in this report.

A complicating factor for the Office of Personnel is its unusually broad clientele -- employees, components, Directorates, and the Agency as a whole. Some personnel services -- such as position classification -- may produce conflicting perceptions of value among the employee concerned, his Directorate, and the Agency as a whole. It is important, and not necessarily easy, to identify the relevant client.

II. SYSTEM INDICATORS

The personnel side of Agency management already has an unusual two part tool that provides significant indicators of Agency performance and effectiveness in such key areas as placement, separations, promotions, training, EEO, and executive development. The elements of this tool are the Annual Personnel Plan and the Personnel Development Plan. The monitoring of performance against expectation provides significant management insights. The allocation of responsibilities for performance is usually apparent.

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Additional system indicators might be applied. Given the high cost of recruiting and the decentralized nature of hiring, the Director of Personnel may wish to monitor the ratio between the number of applicants in process (over the course of time) to the number being hired. A growth in the ratio might indicate matters requiring management attention. A decline in the ratio would be highly desirable and the cause should be identified and encouraged. Along with this indicator, it would be useful to set a unit-cost type of indicator, such as the average cost per EOD (determined by dividing total "Personnel Input" costs* by the number of EODs). Such an indicator could be expressed in constant dollars to permit comparison of changes over time so that trends of increasing or decreasing cost might be identified. Since costs of recruiting different types of personnel (professionals, clericals, blacks . . .) tend to vary significantly, some disaggregation of the cost data might be desirable.

Much of the cost of maintaining the personnel record system is influenced by data errors in originating offices. Hence, it is useful to monitor the number of errors found in personnel transactions as a ratio to the total number and to take corrective action with major offenders. Over time reduction of the proportionate number of errors would be a positive indicator of a successful policy of turnback and training.

III. EFFECTIVENESS INDICATORS FOR OP

Much of the work of OP is susceptible to workload measurement and therefore to unit-cost measurement. Such measures are basically quantitative. Client perception of the effectiveness of OP is affected as much by the quality of service provided as the quantity, so measures of effectiveness must reflect qualitative considerations as well. A failure to do so would create incentive to increase quantity at the expense of quality.

In the following discussion indicators of effectiveness are identified for each of the program areas. A deliberate effort has been made to focus on a small number of indicators for the Office overall. Our success in developing indicators has been uneven, as indicated by the appended comments.

Program Area I. Personnel Input

Indicator A. Recruiting

Semiannually, by general occupational title, calculate the ratio of applicants placed into process against manpower requirements, as stated in the Advance Staffing Plan.

*The total costs attributed to the resource area for "Personnel Input."

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Background: As recruiting against requirements is a major responsibility of the Office of Personnel, the provision of an adequate flow of qualified applicants is a key objective. The Advanced Staffing Plan has some inadequacies as an operational statement of recruiting needs, but application of this indicator would generate improvements in the statement of requirements. Past experience suggests that requirements normally can be filled if the proper number of applicants are put in process. On an annual basis, the current norm for professional/technical openings is 2.8 applicants in process per opening and for clerical, two for one. If the statement of requirements is adequate, application of the above indicator would help to identify for management attention problem areas in the recruiting effort.

Critique: The indicator may be affected by lags between the establishment of a requirement and recruiting against it. Thus the indicator may show no applicants in process even though the appropriate recruiting efforts have been started and may stimulate overcompensation. This problem is the basis for using a semiannual indicator rather than quarterly reporting.

A second problem is that of defining the occupational groups, which should be relatively comprehensive.

A third problem is that applicants may be listed under occupational titles that differ from those of the jobs in which they are actually placed.

A fourth problem is that a successful effort to reduce the ratio of applicants in process to EODs (a system effectiveness indicator) might cause this indicator to signal an inadequate number of applicants in process.

Indicator B. EEO-Related Recruiting

On an annual basis, measure the number of Black and Hispanic-American professional/technical applicants placed into process against manpower requirements stated in the Annual Personnel Plan.

Background: This indicator would signal success or lack of success in EEO-related recruiting. The current norm is 2.8 applicants in process to 1 required.

Critique: The indicator suffers from several of the weaknesses of the preceding indicator.

Program Area II. Personnel Operations

Indicator A. Reassignment

This is a compound indicator consisting of four annual measures:

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1. The number of employees who have contacted SPD concerning reassignment.
2. The number subsequently reassigned.
3. The number of terminated employees (voluntary or involuntary) whose reassignment cases have been closed by SPD within one year.
4. Number of employees who have contacted SPD concerning reassignment and whose cases are still active.

Background: The objective is to develop an indicator of the effectiveness of the internal market. Since many of the cases that contact SPD may fall into the problem category it is to be expected that there will be many failures in the form of employees who eventually terminate. Successful reassignments alone would not be a satisfactory indicator, for successful counseling may induce some employees to remain on the job.

Critique: The indicator is not clean in the sense that OP has control. Obviously successful reassignment would involve factors external to OP.

The choice of a one-year cutoff for previous contact with SPD concerning reassignment is arbitrary. Experience may indicate that many terminations occur between 12 and 24 months after contact.

As a compound indicator, it may be difficult to interpret for management purposes.

Indicator B. Retirement Benefits Counseling

Relate (1) the number of valid complaints concerning misinformation or delays in the provision of benefits information to (2) the number of retirees.

Background: The objective is to provide a measure of the effectiveness of retirement counseling. As valid complaints provide an indicator of reduced effectiveness, the objective is to reduce the number of complaints. (As some complaints may be without basis, it is necessary to sort out those complaints that can be substantiated from those that can not.)

Critique: The indicator will be very sensitive to the determination of whether a particular complaint is valid or not.

It is implicit that there is a close relationship between the number of errors or delays and the number of complaints. One can imagine circumstances when complaints would be more likely to be registered.

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As there is a close correlation between the number of retirees and the number receiving counseling related to retirement, it is valid to use the number of retirees in this indicator.

Indicator C. Problem Counseling -- Alcohol Problems

On an annual basis, compare the number of employees receiving OP counseling related to problems of alcohol with the number terminated who have received such counseling.

Background: The objective is to provide an indicator of the effectiveness of problem-oriented counseling. If an employee with a problem who has received counseling is unable to hack it, it represents a failure in several respects but not exclusively the responsibility of the counseling program.

Critique: There is a time lag problem so that it would be possible in a year in which problem counseling is very effective to have many terminations which really result from previous years in which counseling was not so effective.

Successful outcome in problem counseling would relate to many factors that are beyond OP control. The same is true of failures.

Program Area III. Manpower Management

Indicator A. Position Grade Control

On an annual basis compare the Agency's actual change in average position grade with the average grade projection contained in the Agency's budget.

Background: The objective is to control the Agency's position average grade so that it remains within the projection contained in the budget -- which presumably would reflect programmatic and substantive requirements.

Critique: The actual change in average position grade would be determined by many factors outside of OP control, yet if that is understood the measure has value.

In the event that the realized change does not equate to the budget projection, it would be useful to disaggregate the data enough to identify the major causes and the components contributing.

Indicator B. Review of Positions

On an annual basis, compare the number of positions reviewed for proper grade classification against the total number of Agency positions.

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Background: A lengthening time between reviews of components and of their positions significantly reduces the validity of position descriptions and classifications. It is necessary to monitor progress in reclassification to preclude this.

Critique: This is a quantitative measure, not a qualitative one, so it would be possible to improve the performance in the indicator by degrading quality of position review.

Program Area IV. Benefits and Services

Indicator A. Employee Perceptions

Employee surveys should include sections to elicit feedback concerning levels of benefits and services provided, priority interests for new or expanded benefits and services and the adequacy of the administration of such programs.

Background: Management interests are served when employees are aware of benefits and services available to them, are assured that management will listen to their concerns for benefits and services commensurate with their contribution to the Agency, and are reasonably satisfied with the way in which programs are administered.

Critique: The linkages between benefits and services and motivation are not clearly established once certain minimum requirements for economic security and the working environment have been met. Surveys should be careful not to establish an expectation that there is open season for new or expanded services and benefits.

The level of adequacy of the administration of benefits and services will be a function of the resources provided, which will be relatively limited. Hence, some negative feedback is to be expected. The important aspect would be a trend toward a perception of worsening administration (longer times to process, more errors in processing) which management might seek to avoid.

Indicator B. Level of Effort Indicators

Strictly speaking, these are not effectiveness indicators but might provide early warning of trends that would cause adverse employee perceptions. Examples would be measures of the average time to process a claim, the number of errors reported, the number of employees briefed as to the availability of benefits and services, the number of publications distributed and the size of their distribution.

Background: Such indicators already exist and provide management with some idea of the adequacy of administration of benefits and services given the available level of resources. The additional need is for an indicator that might alert management if its judgment of adequacy is at odds with employees' perceptions.

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Indicator C. Market Penetration

Where employee enrollment for benefits is voluntary, it is possible to measure the extent to which employees take advantage of the opportunity. Thus, one could measure the average amount of UBLIC insurance outstanding per employee.

Background: Such an indicator would measure progress in informing and educating employees in the benefits available.

Critique: Unlike the salesman on commission, the objective is not to sell but to inform. The final decision for such voluntary benefits should always be the employee's. What would a high value of UBLIC insurance per employee really indicate?

Program Area V. Personnel Record Keeping

Indicator A. Errors

By month and by year, measure the ratio of the number of errors in personnel transactions received for processing to the total number of transactions received.

Background: A high error rate on personnel transactions received from components introduces unnecessary costs in OP operations. Keeping statistics on the error rate makes it possible to concentrate training where it is most needed and most effective.

Critique: Though some cost is involved in keeping the necessary records, this indicator already has proven of value.

Indicator B. Processing Time of Transactions

Record in and out dates of transactions received for processing and report on a quarterly basis the average number of days required.

Background: Processing of certain personnel transactions cannot be completed until the appropriate personnel folder is available. Delays often result because folders are not in file or required update material is not in the folder. Such delays create distortions in those personnel statistics that are based on processing date rather than effective date. The indicator provides management a tool to see if the problem is worsening or being kept under control.

Critique: Control of this indicator lies outside OP with those offices that have personnel folders out on loan. Improvement of the indicator would rest upon developing procedures to speed the circulation of such folders.

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Indicator C. Timely Statistical Reports

Report on a monthly basis the average time between a request for data from SRB and the providing of such data.

Background: The effectiveness of a central personnel statistical service is related to its ability to provide timely information. Otherwise, customers may seek their own data banks or decisions may be made with inaccurate or incomplete information.

Critique: The delays in providing information may be driven by a need for programming and batch-processing in OJCS. The indicator would probably be very sensitive to the type of request received and would not be stable from month to month as the mix changes. Even so, the indicator should be of management value, and its improvement would help to forestall decentralization of the personnel data bank.

Program Area VI. Internal Management

The degree of fulfillment of personnel goals for OP within the APP and PDP provides an effectiveness indicator for internal management. The Office may wish to establish supplementary goals for career management and counseling.

interesting!
G.D.